

Rate Decrease Proposal

Existing Rates 2006 (cents per KWH)

1

Total Distribution plus Transition	5.430
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 Page 3, Line 27, NSTAR

Rate decrease 2006 (cents per KWH)

Proposed

2

Total Distribution plus Transition	5.339
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 Page 4, Line 9

Difference (cents per KWH)

3

Customer price reduction	(0.0907)
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 Line 2 minus line 1

Sales 2006

4

2006 Gwh	22,045
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 Page 3, line 24

Difference (\$ millions)

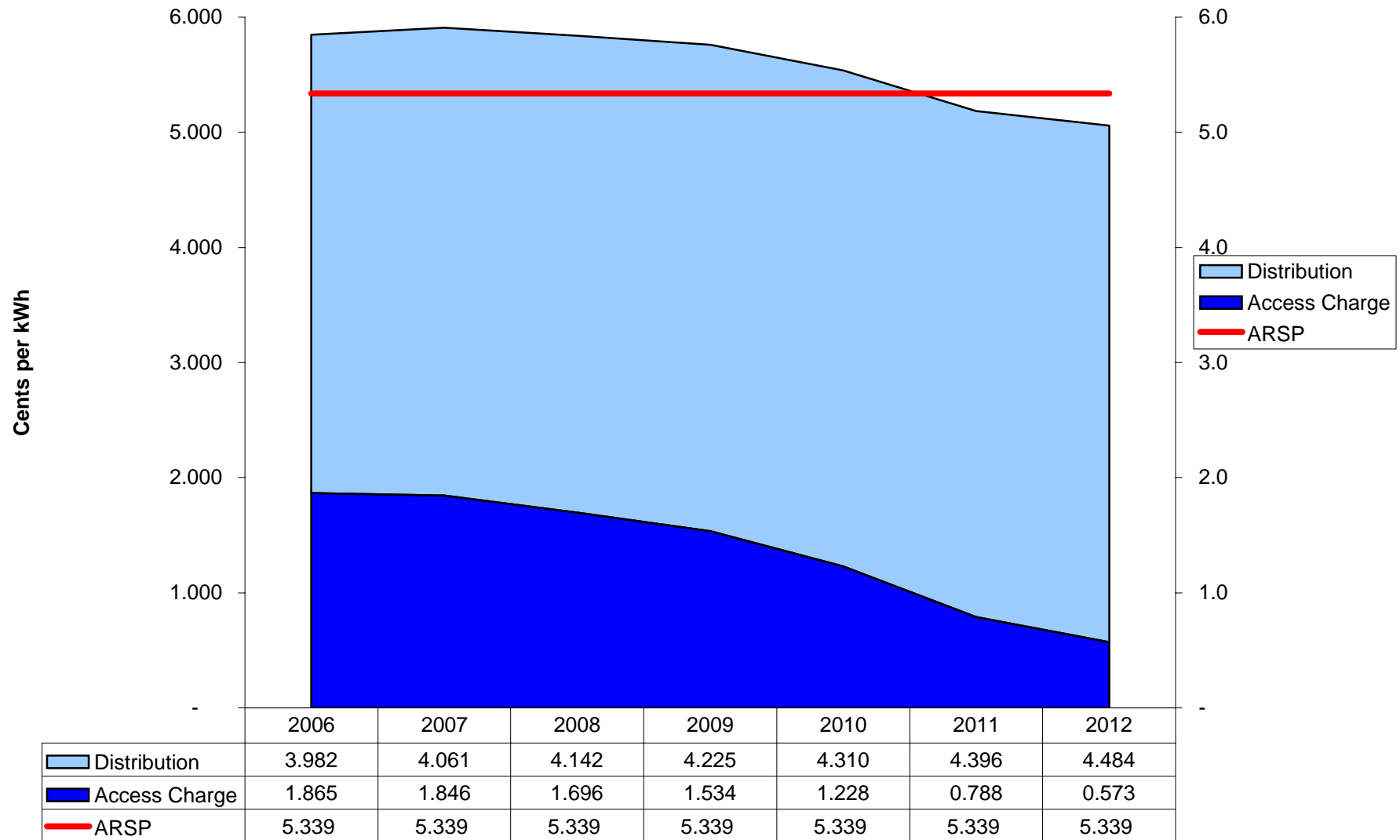
Amount

5

Customer Rate Reduction	\$ 20.0
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 Line 3 multiplied by line 4 divided by 100

Total Access Charge and Distribution Rates



Filed Cost of Service and Future PBR and Transition

	2006	2007	2008	2009	2010	2011	2012	Reference
Current Base Electric Distribution Rates								
Distribution Operating Revenues (\$ millions)								
1 Boston Edison	\$ 534.5							Page 5, D.T.E. 05-85, Exhibit BEC-CLV-2, page 1, line 7
2 Boston Edison Wholesale revenue credit	35.4							Page 5, D.T.E. 05-85, Exhibit BEC-CLV-2, page 1, line 12
3 Commonwealth	156.8							Page 6, D.T.E. 05-85, Exhibit COM-CLV-2, page 1, line 7
4 Cambridge	21.1							Page 7, D.T.E. 05-85, Exhibit CAM-CLV-2, page 1, line 7
5 Total Current Distribution Rates	\$ 747.8							Sum of lines 1 thru 4
Filed Increase								
(Assumes bad debts and working capital related to Basic Service are not collected through Basic Service rates)								
6 Boston Edison	\$ 101.3							Page 5, D.T.E. 05-85, Exhibit BEC-CLV-2, page 1, line 11
7 Boston Edison Wholesale revenue credit	(35.4)							line 2 above
8 Commonwealth	19.4							Page 6, D.T.E. 05-85, Exhibit COM-CLV-2, page 1, line 11
9 Cambridge	2.1							Page 7, D.T.E. 05-85, Exhibit CAM-CLV-2, page 1, line 11
10 Total Deficiency	\$ 87.3							Sum of lines 6 thru 9
PBR Proxy								
11 Total distribution revenues (\$ millions)	\$ 835.1							Line 5 plus line 10
12 Annual Distribution Rate increase	2.0%							Potential Annual PBR
13 Annual Distribution Rate (cents/kWh)	3.982	4.061	4.142	4.225	4.310	4.396	4.484	Line 11 divided by line 32; prior year rate increased by line 12
14 Transition Charge rate (cents/kWh)	1.865	1.846	1.696	1.534	1.228	0.788	0.573	Line 20 divided by line 24
15 Total Annual Price (cents/kWh)	5.846	5.908	5.838	5.759	5.537	5.184	5.057	Line 13 plus line 14
Transition Charge (\$ millions)								
16 Boston Edison	\$ 302.902	\$ 315.435	\$ 293.261	\$ 285.751	\$ 221.553	\$ 128.663	\$ 82.146	D.T.E. 05-88, Exhibit BEC-CLV-1, Page 1, Col. D
17 Boston Edison Wholesale revenue credit	(35.400)	(35.400)	(35.400)	(35.400)	(35.400)	(35.400)	(35.400)	line 2 above
18 Commonwealth	113.242	117.585	114.968	103.011	100.565	97.685	94.895	D.T.E. 05-89, Exhibit COM-CLV-1, Page 1, Col. D
19 Cambridge	30.347	17.542	16.083	5.410	6.243	0.783	0.677	D.T.E. 05-89, Exhibit CAM-CLV-1, Page 1, Col. D
20 Total Transition Charges	\$ 411.091	\$ 415.162	\$ 388.911	\$ 358.772	\$ 292.961	\$ 191.730	\$ 142.318	Sum of lines 16 thru 19
GWH								
21 Boston Edison	15,811	16,127	16,450	16,779	17,114	17,456	17,806	D.T.E. 05-88, Exhibit BEC-CLV-1, Page 1, Col. B
22 Commonwealth	4,472	4,562	4,653	4,746	4,841	4,938	5,037	D.T.E. 05-89, Exhibit COM-CLV-1, Page 1, Col. B
23 Cambridge	1,761	1,796	1,832	1,869	1,906	1,944	1,983	D.T.E. 05-89, Exhibit CAM-CLV-1, Page 1, Col. B
24 Total Transition Charges	22,045	22,485	22,935	23,394	23,862	24,339	24,826	Sum of lines 21 thru 23
Existing rates (cents/kWh)								
25 Distribution	NSTAR 3.565	BECO 3.780	COM 3.715	CAM 1.257				NSTAR: Line 5 divided by line 32
26 Transition (after Adj for Wholesale RC)	1.865	1.692	2.532	1.723				NSTAR: Line 20 divided by line 24
27 Total Distribution plus Transition	5.430	5.472	6.247	2.980				Line 25 plus line 26
28 Proposed Distribution Rate (cents/kWh)	3.982							Line 11 divided by line 32
Test year kWh								
29 Boston Edison	15,076	Workpaper BEC-HCL-1						
30 Commonwealth	4,222	Workpaper COM-HCL-1						
31 Cambridge	1,677	Workpaper CEL-HCL-1						
32 Total GWh Test Year	20,974							

Alternative Rate Stabilization Plan

	2006	2007	2008	2009	2010	2011	2012	Reference
Current Base Electric Distribution Rates								
1 Distribution Operating Revenues (\$ millions)	\$747.8							Page 3, Line 5
2 Reduced Increase	\$30.0							Settlement value
3 Total Distribution Revenues (\$ millions)	\$777.8							Line 1 plus line 2
4 GDP-PI Index forecast	2.56%	1.94%	2.17%	2.36%	2.27%	2.36%		Global Insight forecast date 11/07/2005
5 Offset Amount	0.50%	0.55%	0.60%	0.65%	0.70%	0.75%		Settlement value
6 Annual Distribution Rate increase	2.06%	1.39%	1.57%	1.71%	1.57%	1.61%		Line 4 minus line 5
7 Total New Rate (cents/kWh)	3.661	3.785	3.837	3.898	3.964	4.026	4.091	Prior year rate increased by line 4 prior year
8 Transition Charge Rate (cents/kWh)	1.679	1.555	1.502	1.442	1.375	1.313	0.966	Line 9 minus line 7; Note 1
9 Total Annual Price (cents/kwh)	5.339	5.339	5.339	5.339	5.339	5.339	5.057	Proposed Rate; Note 1
Transition Charge (\$ millions)								
10 Transition Charge Revenues	\$ 370	\$ 350	\$ 344	\$ 337	\$ 328	\$ 320	\$ 240	Line 8 multiplied by Page 2, Line 24 ;Note 1
11 Transition Charge expenses	(411)	(415)	(389)	(359)	(293)	(192)	(142)	Page 2, Line 20
12 Annual Over / (Under) Collection	\$ (41)	\$ (66)	\$ (44)	\$ (21)	\$ 35	\$ 128	\$ 98	Line 10 plus line 11
13 Prior year balance		(41)	(111)	(168)	(207)	(195)	(88)	Line 15 prior year
14 Interest @10.88%		(4)	(12)	(18)	(23)	(21)	(10)	Line 13 multiplied by line 10.88%
15 Deferral Balance Over / (Under) collected	\$ (41)	\$ (111)	\$ (168)	\$ (207)	\$ (195)	\$ (88)	\$ -	Sum of lines 12 thru 14
Proposed Rate (cents/kWh)								
16 Distribution	3.708							Line 3 divided by Page 3, line 32 times 100
17 Annual Price Increase		0.124	0.053	0.060	0.067	0.062	0.065	Line 7 current year minus prior year
18 Current Distribution Rate	3.565							Page 3, Line 25 NSTAR
19 Proposed Distribution Increase	0.1430							Line 16 minus line 18
20 Total Distribution plus Transition	5.430							Page 3, Line 27 NSTAR
21 Reduction	\$20							Settlement value
22 Reduction \$20M	0.0907							Line 21 divided by Page 3, line 24 times 100
23 Net	5.339							Line 20 minus line 22

Note 1: 2012 Transition charge revenue equals 2012 expenses plus prior year deferral and interest

Alternative Rate Stabilization Plan - Electric Component

Exhibit NSTAR-2 (Settlement)
Page 5 of 7

D.T.E. 05-85
Boston Edison Company
Exhibit BEC-CLV-2
Page 1 of 10

Distribution Revenue Requirement (\$ in Millions)

Line	Description	Distribution	Reference
	Col. A	Col. B	Col. C
1	Operations & Maintenance Expense	\$ 238.555	Exh. CLV-2, Page 3 line 11, Col. B
2	Depreciation & Amortization	99.064	Exh. CLV-2, Page 4 line 52, Col. H
3	Taxes Other than Income Taxes	60.395	Exh. CLV-2, Page 5 line 3, Col. G
4	Allowance for Income Taxes	83.348	Exh. CLV-2, Page 6 line 13, Col. B
5	Return on Rate Base	<u>137.536</u>	Exh. CLV-2, Page 7 line 23, Col. G
6	Distribution Revenue Requirement	\$ 618.898	Sum of lines 1 thru 5
7	Operating Revenues	(534.453)	Exh. CLV-2, Page 8 line 24, Col. G
8	Revenue Deficiency (Surplus)	\$ 84.445	line 6 + line 7
If transfers not approved deficiency increases by these amounts:			
9	Revenue Working Capital Transferred to Basic Service	10.485	Exhibit CLV-5 Page 1 line 17, Col D
10	Bad Debts recovered through Basic Service	6.356	Exhibit CLV-3 Page 2 line 8, Col. C
11	Total Filing Deficiency	\$ 101.286	line 8 + line 9 + line 10
Elimination of wholesale revenue credit transfers decreases the deficiency by this amount:			
12	Wholesale Revenue Credits	(35.400)	
13	Total Filing Deficiency	\$ 65.886	line 11 + line 12

Alternative Rate Stabilization Plan - Electric Component

Exhibit NSTAR-2 (Settlement)
Page 6 of 7

D.T.E. 05-85
Commonwealth Electric Company
Exhibit COM-CLV-2
Page 1 of 10

Distribution Revenue Requirement (\$ in Millions)

Line	Description	Distribution		Reference
	Col. A	Col. B	Col. C	
1	Operations & Maintenance Expense	\$ 82.241		Exh. CLV-2, Page 3 line 11, Col. B
2	Depreciation & Amortization	29.281		Exh. CLV-2, Page 4 line 52, Col. H
3	Taxes Other than Income Taxes	6.960		Exh. CLV-2, Page 5 line 3, Col. G
4	Allowance for Income Taxes	15.045		Exh. CLV-2, Page 6 line 13, Col. B
5	Return on Rate Base	<u>38.155</u>		Exh. CLV-2, Page 7 line 23, Col. G
6	Distribution Revenue Requirement	\$ 171.682		Sum of lines 1 thru 5
7	Operating Revenues	(156.845)		Exh. CLV-2, Page 8 line 24, Col. G
8	Revenue Deficiency (Surplus)	\$ 14.837		line 6 + line 7
If transfers not approved deficiency increases by these amounts:				
9	Revenue Working Capital Transferred to Basic Service	3.238		Exhibit CLV-5 Page 1 line 17, Col D
10	Bad Debts recovered through Basic Service	1.293		Exhibit CLV-3 Page 2 line 8, Col. C
11	Total Filing Deficiency	\$ 19.368		line 8 + line 9 + line 10

Alternative Rate Stabilization Plan - Electric Component

Exhibit NSTAR-2 (Settlement)
Page 7 of 7

D.T.E. 05-85
Cambridge Electric Light Company
Exhibit CAM-CLV-2
Page 1 of 10

Distribution Revenue Requirement (\$ in Millions)

Line	Description	Distribution Reference	
		Col. B	Col. C
1	Operations & Maintenance Expense	\$ 10.475	Exh. CLV-2, Page 3 line 11, Col. B
2	Depreciation & Amortization	3.940	Exh. CLV-2, Page 4 line 52, Col. H
3	Taxes Other than Income Taxes	1.325	Exh. CLV-2, Page 5 line 3, Col. G
4	Allowance for Income Taxes	1.643	Exh. CLV-2, Page 6 line 13, Col. B
5	Return on Rate Base	<u>4.248</u>	Exh. CLV-2, Page 7 line 23, Col. G
6	Distribution Revenue Requirement	\$ 21.631	Sum of lines 1 thru 5
7	Operating Revenues	(21.071)	Exh. CLV-2, Page 8 line 24, Col. G
8	Revenue Deficiency (Surplus)	\$ 0.560	line 6 + line 7
If transfers not approved deficiency increases by these amounts:			
9	Revenue Working Capital Transferred to Basic Service	1.192	Exhibit CLV-5 Page 1 line 17, Col D
10	Bad Debts recovered through Basic Service	0.316	Exhibit CLV-3 Page 2 line 8, Col. C
11	Total Filing Deficiency	\$ 2.068	line 8 + line 9 + line 10